

2014

ANNUAL



REPORT

VILLAGE OF LAKE ZURICH, ILLINOIS





LEADERSHIP

THE LAKE ZURICH VILLAGE BOARD AND EXECUTIVE STAFF

Jason T. Slowinski

Village Manager

Roy T. Witherow

Assistant Village Manager

Steve Husak

Police Chief

David Wheelock

Fire Chief/ EMA Director

Jodie K. Hartman

Finance Director

Michael J. Earl

Community Services Director

J. Michael Duebner

Innovation Director

Douglas W. Gibson

Human Resources Manager

Bonnie Caputo

Recreation Manager

Mike Brown

Public Works Manager

Daniel Peterson

Building & Zoning Manager



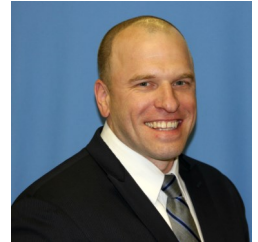
Mayor Tom Poynton



Trustee Jeff Halen



Trustee Jim Beaudoin



Trustee Dan Stanovich



Trustee Jonathan Sprawka



Trustee Steve O'Connor



Trustee John Shaw

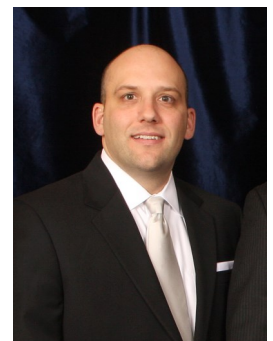


Clerk Kathleen Johnson

WELCOME MESSAGE

I am pleased to present the **Village of Lake Zurich 2014 Annual Report**. This annual report is an opportunity to report to the Board of Trustees and to share with Village residents—our shareholders—the accomplishments that have marked 2014. It also reflects our commitment to providing quality municipal services and maintaining our reputation as a leader and THE economic engine of southwest Lake County.

Perhaps most importantly, this report demonstrates our firm commitment to transparency in Village government. With continued community support and strong elected leadership, the Village of Lake Zurich is most assuredly well-positioned to continue to provide quality municipal services to our residents and businesses.



Jason T. Slowinski, Village Manager

LAKE ZURICH

At the Heart of Everything

Lake Zurich is located in the northwest suburbs of Chicago approximately 25 miles from O'Hare International Airport and the City of Chicago. Incorporated in 1896, the Village is part of a growing Lake County, which saw its 2010 population increase to more than 700,000 residents.

Lake Zurich's population has more than quadrupled since 1960, as the Village has shared in the economic growth that has come from an expanding Chicago metropolitan area.

Since 2000, the population has grown 16.8%.

Lake Zurich has developed into a community with above-average wealth and housing values and has a balanced tax and revenue base. The Village is known for its excellent schools and abundant recreational opportunities for its residents.

Our community has derived many benefits from its environmental, geographical, and transportation attributes working together with the Village's practice of long-range community planning.

HISTORIC POPULATION

1950	850
1960	3,458
1970	4,082
1980	8,222
1990	14,927
2000	18,104
2010	19,631
2013	19,984 (est.)

★ KEY DEMOGRAPHICS ★

POPULATION: 19,984

LAND AREA: 6.77 SQUARE MILES

PERSONS PER SQUARE MILE: 2,951.8

ETHNICITY: WHITE 82.6%, HISPANIC 7.7%,
ASIAN 7.4%, AFRICAN-AMERICAN 1%,
OTHER 1.3%

MEDIAN HOUSEHOLD INCOME: \$107,676

MEDIAN HOME VALUE: \$345,700

HOUSING UNITS: 6,789

MEDIAN AGE OF RENTER/OWNER: 38

PERSONS PER HOUSEHOLD: 3.15

MEAN TRAVEL TIME TO WORK: 31.2 MINS

PERSONS BELOW POVERTY LEVEL: 4.2%

EDUCATION LEVELS:

BACHELOR DEGREES 33.9%

GRADUATE DEGREES 18.7%

ESTABLISHED COMMUNITY:

LIVED HERE FOR 5+ YEARS 44.7%

PRIMED FOR CONTINUED GROWTH:

GROWTH SINCE 2000 16.8%

POPULATION WITHIN 5 MILES 89,139

HIGH TRAFFIC COUNTS

45,000 DAILY AVG ON RAND RD

20,000 DAILY AVG ON RTE 22

LAKE ZURICH 'S LARGEST PRIVATE EMPLOYERS

Echo, Incorporated	822
Peapod	700
Smalley Steel Ring, Co.	496
Termax Corporation	362
Insight Beverages	199
D&W Fine Pack	180
All American Exterior Solutions	151

2014-19 STRATEGIC PLAN

Moving Lake Zurich Forward—Strategically

Lake Zurich is THE premier community in Lake County offering a quality way of life, a thriving economy, diverse opportunity, and a commitment to fostering civic pride through community participation and ethical, professional governance.



Each year, organizations all over the globe—both public and private—engage in strategic planning exercises as a means to ensure long term organizational success. It is an important organizational activity that has been embraced by the Village Board and Executive Staff. By evaluating the Village's current position, identifying areas for improvement, and setting goals for future years, a blueprint is created that provides the acute focus necessary to achieve organizational and performance excellence.

In November 2013, under the guidance of Dr. Gerald Gabris from Northern Illinois University's Center for Governmental Studies, the Village Board of Trustees and Executive Staff gathered at a strategic planning workshop session to develop strategic priorities that will guide decision making for the next five years. The Village Board formally adopted five strategic priorities in May 2014.

OUR MISSION

The mission of the Village of Lake Zurich is to provide our residents and businesses with exceptional quality municipal services. We will achieve this through strategic planning, fiscal responsibility, and transparent, accessible, and responsive municipal leadership and staff. This will result in continually improving quality-of-life and return on investment for all stakeholders in the community.

STRATEGIC PRIORITIES

- ★ **Financial Sustainability**
- ★ **Development**
- ★ **Infrastructure**
- ★ **Service Sustainability**
- ★ **Civic Engagement**

The executive staff, led by Assistant Village Manager Roy T. Witherow, have used the five priorities as the basis for a new five-year strategic plan. Staff will develop a strategic management plan or action plan that details specific objectives and tasks that the Village can implement in order to achieve the Village Board's strategic vision. Special attention will be paid to develop strategies and tasks that can be readily measured in order to ensure continuous progress is made.

Throughout the coming year and beyond, interested individuals can learn more about the Village's strategic plan by visiting LakeZurich.org/OurPlan.



CULTURE OF INNOVATION



Innovating for Results

A LAKE ZURICH EXPERIMENT IN GOVERNMENT

Taking the lead largely from the private sector, in 2014 the Village placed a renewed focus on innovation, creating the position of Innovation Director. Responsible for cultivating a culture of creativity and innovation, the Innovation Director works across Village departments to identify new ways of deploying government services through the innovative use of technology. Michael Duebner serves as the Village's first Innovation Director. Other key duties include:

- ◆ Recommend methods for the removal of barriers, both perceived and real, that hinder Village government from effectively and efficiently providing high value services to residents;
- ◆ Serve as a resource to other Village departments in developing an innovative, customer driven mindset;
- ◆ Serve as a catalyst for establishing new synergies within Village government to achieve operational goals;
- ◆ Serve as a key advocate for utilizing new technologies to advance civic engagement;
- ◆ Identify and lead partnerships for new and innovative programming.



Excellent! (5 out of 5)

Communication & Transparency

The Village Board has placed a high priority on government transparency and communication. In 2014, the Village of Lake Zurich launched a new, user-friendly website, an active Facebook page, and further expanded use of our **Benchmarks** e-newsletter. It is easier now more than ever to connect with Village government!

facebook

Year	Largest # of Views for Post	# of Likes at Year End	% Increase from Prev.
2013	3,769	494	—
2014	12,771	1,166	136.0%

BENCHMARKS 
News from the Village

Benchmarks is the official Village of Lake Zurich e-newsletter. Already it has generated over 1,500 subscribers and consistently holds an open rate of over 60%—far above the average of 23% for all government agencies.

Year	Village Newsletter	No. of Issues
2011	Newsline	4
2012	Newsline	4
2013	Newsline/ Benchmarks	18
2014	Benchmarks	43

A BUSINESS-FRIENDLY COMMUNITY

The Village of Lake Zurich continues to be a sought after location for business in the larger regional area. Anchored by Rand Road (U.S. Route 12) and IL Route 22, nearly 70,000 vehicles transverse the Village daily on these major thoroughfares, connecting the Village to consumers, workers, and visitors from the larger Chicago metropolitan area.

WELCOME NEW BUSINESS

From small to large, **38 new businesses** selected Lake Zurich in 2014. The commercial and industrial sector was led by the addition of Northstar Pickle and Schneider Graphics. Two new grocers opened with the addition of Mariano's and a second Lake Zurich Jewel-Osco location. New restaurants were added as well, with El Jardin, Rock N Ribs, Sushi

Kushi 4U, Giordano's, and a second Lake Zurich McDonald's location leading the way. The retail goods sector was boosted by the addition of Sports Authority, The Vitamin Shop, and Sleepy's Mattress. The service industry also expanded with several new real estate, insurance, and law offices opening in the community.

LAKE ZURICH EXPERIENCES \$20 MILLION GROWTH IN NEW CONSTRUCTION

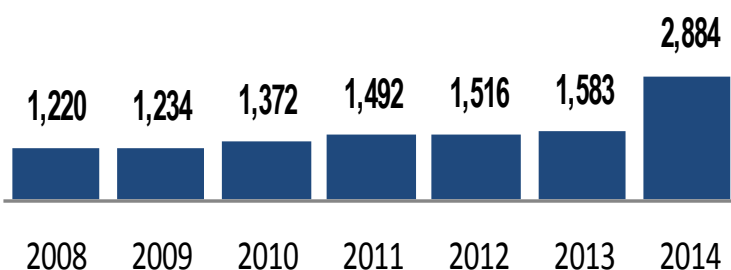
Signs of an improving economy were confirmed in 2014 by an increase of nearly **\$20 million in new construction** value added to Lake Zurich. The year saw \$47.3 million in new construction, up from \$27.9 million in 2013.



Mayor Tom Poynton and other Village leaders celebrate the opening of McDonald's on Quentin Road with Ronald McDonald.

\$47,261,955
in New Construction in 2014

PRIVATE SECTOR INVESTMENT LEADS TO SEVEN-YEAR HIGH IN BUILDING ACTIVITY



Construction activity in Lake Zurich has dramatically increased since the collapse of the housing market in late 2008. Permit activity over the seven-year period has **increased 136.4%** continuing to show the strength of the Lake Zurich community as an attractive place to build and invest.

PARKS & RECREATION

Providing for a Healthy Lake Zurich

The Village's quality parks and recreation programs continue to be a hallmark of the community. Lake Zurich provides a wide array of opportunities to fill residents' leisure hours. Activities for the whole family are offered throughout the year at many of the 230+ acres of public parkland. The Village has scenic conservation areas and nature pathways to enjoy or more intense recreation activities that include tennis, karate, hip-hop dance and cardio circuit training.



WELCOME

RECREATION MANAGER BONNIE CAPUTO

In 2014, the Village welcomed Ms. Bonnie Caputo as the new Parks & Recreation Manager. Ms. Caputo brings extensive experience in her field, most recently having served as a Senior Program Director at the Foglia YMCA in Lake Zurich. Welcome!



Mayor Tom Poynton and Trustees Jim Beaudoin and Jeff Halen join the community in celebrating the opening of the new **Lakeside Lookout playground** at Paulus Park.



PROGRAM PARTICIPATION

	2013	2014
Dance Enrollment	122	288
Facility Rentals	87	109
Fitness Enrollment	200	181
Summer Camp Enrollment	372	450
Preschool Enrollment	403	476
Athletic Enrollment	843	703
Breezewald Beach Visits	5,277	4,834
Paulus Park Beach Visits	1,952	2,469

SPECIAL EVENTS

Bringing the Community Together

Thousands Jam Downtown for ROCK THE BLOCK



Thousands of area residents jammed East Main Street in downtown Lake Zurich for the second annual **Rock the Block** event on September 13, 2014. A cool, late summer evening provided the perfect background for residents to mingle, listen to some great music, and enjoy a wide variety of food and drinks.

The one-day festival was popular with residents and downtown business owners and planning has already begun for the 2015 version of the event.



LAKE ZURICH GROWS SPECIAL EVENT PORTFOLIO IN 2014

Two new special events were added for community enjoyment in 2014, including the **Lake Zurich Craft Beer Festival** (see below) and the **Chili Cookoff**, both held in October at Paulus Park.



The second annual Rock the Block music fest drew 6,500 visitors to downtown Lake Zurich and has quickly become a signature event.



INAUGURAL CRAFT BEER FESTIVAL IS HUGE HIT

The community came together October 10th and 11th for the new **Lake Zurich Craft Beer Festival**. The event drew some 2,500 craft beer lovers from around the region and was an overwhelming success. Over 30 craft brewers were on hand to showcase their products while festival goers enjoyed live musical entertainment.



PUBLIC SAFETY

Dedicated to Professional Law Enforcement



The Lake Zurich Police Department is staffed by a dedicated group of men and women that work together to *Protect and Serve* our community.

LZPD Nationally Accredited

LZPD has continued to maintain compliance with gold standards in public safety through the Commission on Accreditation for Law Enforcement Agencies (CALEA). Best practices used in Lake Zurich strengthen crime prevention capabilities, establish fair policing practices, and solidify interagency and community cooperation.



MISSION

To provide professional law enforcement service to the community we have been sworn to protect by fostering positive relationships, maintaining professional values, fairly and impartially enforcing the law, using resources efficiently, and planning effectively.

2014 FAST FACTS

Calls for Service: 9,336

Traffic Crash Investigations: 794

Training Hours: 3,249

Personnel: 34 Sworn Officers; 17 Civilian

Criminal Arrests: 114 Adult; 81 Juveniles

Average Response Time: 4 min 56 sec

Fleet: 21 vehicles; 2 motorcycles; 1 ATV; 1 police boat

Lake Zurich Police Issue "Citations" for Bicycle Safety

In 2014, the Lake Zurich Police Department initiated the Bike Safety Program which aims to recognize children for practicing safe habits while riding bicycles, most notably, wearing helmets. Under this program, officers issue



"citations" to children found properly wearing bicycle helmets while riding. All children issued citations are entered into a drawing for a new bicycle. This year's winner was Nolan Dannerger.

POLICE CHIEF STEVE HUSAK



In 2014, the Village of Lake Zurich welcomed **Police Chief Steve Husak** to the LZPD and the community.

Chief Husak spent nearly 25 years serving the nearby Buffalo Grove Police Department, the last 3 years as Deputy Police Chief. Welcome!

PUBLIC SAFETY

Safety in the Lake Zurich Community is **OUR** Priority

Lake Zurich is routinely below the national average in all reported categories for crime statistics. Our police department also stresses the enforcement of traffic laws to provide safe roads for all motorists. The statistics below are based on 2010 U.S. Census figures and a crime rate per 100,000 people.

CRIMES IN LAKE ZURICH 2012-2014

Type	2012	2013	2014
Murders	0	0	0
per 100,000	0.0	0.0	0.0
Sexual Assault	0	0	3
per 100,000	0.0	0.0	15.28
Robberies	1	1	0
per 100,000	5.1	5.1	0.0
Assault/Battery	7	2	4
per 100,000	35.67	10.12	20.38
Burglaries	28	27	16
per 100,000	142.63	137.54	81.50
Thefts	253	279	313
per 100,000	1,288.88	1,421.22	1,594.42
Motor Vehicle Thefts	1	2	0
per 100,000	5.09	10.19	0.0
Arson	3	0	0
per 100,000	15.28	0.0	0.0



The Lake Zurich crime index is 55, meaning that our Village is **SAFER** than 55% of cities in the U.S.



Your chances of becoming a victim of a violent crime in Illinois is 1 in 263. In Lake Zurich, your chances are only 1 in 6,661.



Your chances of becoming a victim of property crime in Illinois is 1 in 44. In Lake Zurich, it is only 1 in 65.

FIRE & RESCUE

Protecting Life and Property. **24/7**



EXPANSIVE COVERAGE

The Lake Zurich Fire Department protects not only the 20,000 people in the 6.7 square miles of Lake Zurich but also the 17,000 people that live in the 18 square miles of the Rural Fire Protection District surrounding Lake Zurich. The department operates from 4 stations and employs 55 sworn full-time firefighter/paramedics. In addition, the Department fields a full service fire prevention bureau, which provides for fire safety education and an annual inspection program.

EXCELLENCE in Fire Service

Much of the excellence of the **Lake Zurich Fire Department** is derived from the many hours of training that department personnel endure, including fire behavior, building construction, and emergency medical services.

ISO-Rated Class 3 Fire Department

An Insurance Service Organization rating of 3 is a recognition that only 3.6% of fire departments in the nation can obtain. ISO ratings are based on a consistent set of guidelines, including the number of personnel on duty, training level, amount of water available, and the quality of equipment used in providing fire and EMS services. ISO ratings impact insurance levels and property values for the community.

Study Finds Fire Department Operating Efficiently

In 2014, the Village commissioned the International City Management Association's (ICMA) Center for Public Safety Management to conduct an operational and efficiency review of the Lake Zurich Fire Department. The study found that, at the current service delivery levels, the staffing model employed by the LZFD is "very efficient in terms of maximizing staffing and deploying apparatus."

	2012	2013	2014
Fire Calls	1,353	1,483	1,945
EMS Calls	1,784	1,848	2,126
Training Hours	11,208	8,159	10,131
Average Response Time (Fire)**	6 min 21 sec	5 min 40 sec	4 min 58 sec
Average Response Time (EMS)**	6 min 11 sec	5 min 19 sec	5 min 10 sec
Annual Safety Inspections	5,042	2,474	1,755
Community Risk Drills Conducted	11	5	21

** Note: Response time includes dispatch handling time, turn-out time, and travel time.

SERVICES & INFRASTRUCTURE

Investing in OUR Future

PROVIDING FOR WELL-MAINTAINED & RELIABLE INFRASTRUCTURE

The Community Services Department—Public Works Division is responsible for the maintenance of the Village's infrastructure as well as for planning future infrastructure improvements.

PAVEMENT MANAGEMENT PROGRAM

In 2014, the Village engaged Manhard Consultants to conduct a review of the condition of the Village's 79.8 miles of asphalt streets and to recommend a program to ensure proper maintenance of the roadway network. Some 41 miles of the Village's roadway network were added in the last 30 years.

The current weighted average ranking of Village streets is "good" with 54% of streets having a rating of good or excellent.

The Pavement Management Program also provides recommendations for maintaining and improving the Village's roadway network over the next five years.

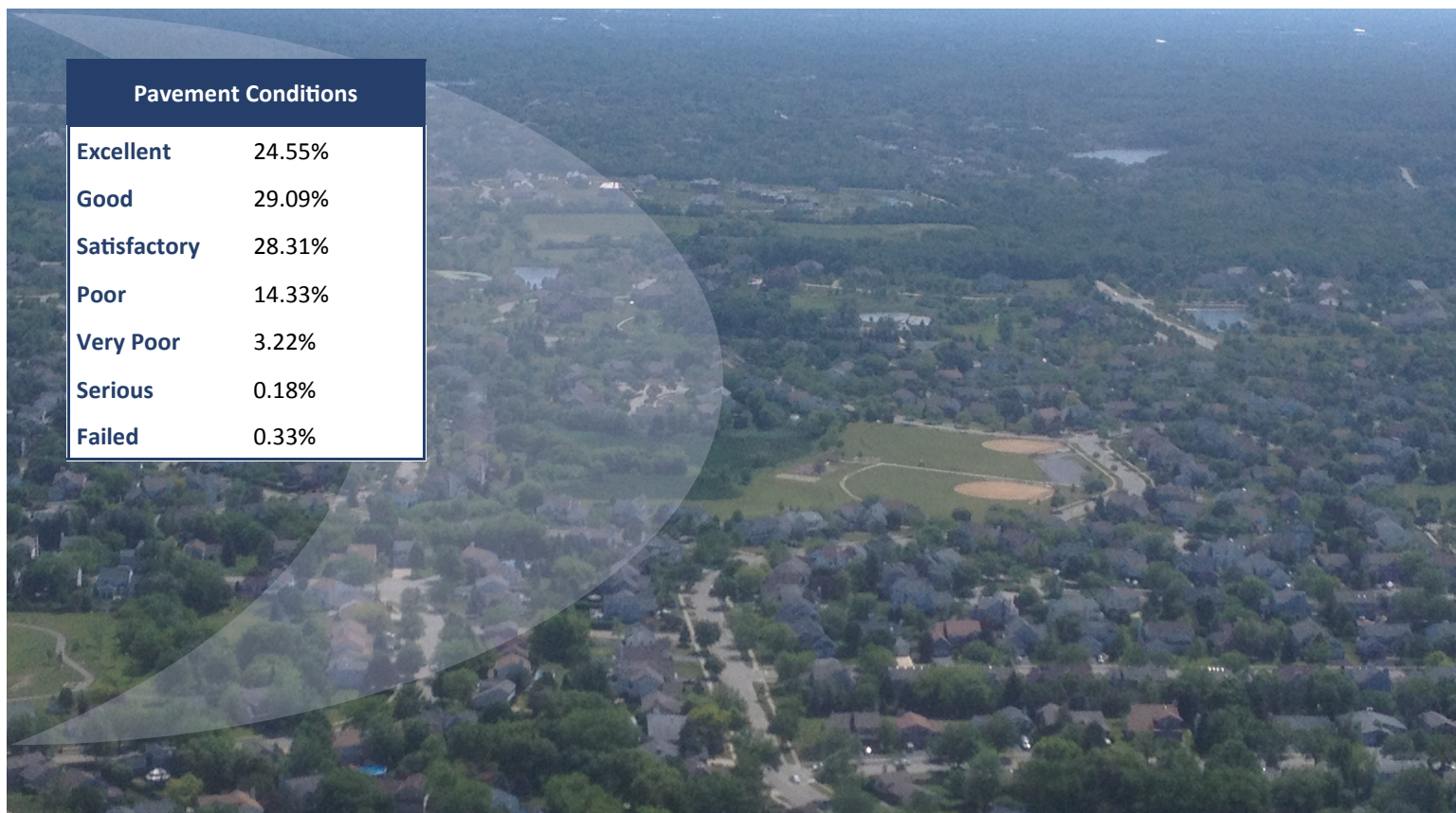
INVESTING IN OUR FUTURE

Lake Zurich puts a high priority on investing in the future infrastructure of the Village—those things that keep our streets, water supply, and sewer systems safe, reliable and efficient. Several key projects highlighted the Village's 2014 program:

- ◆ **2014 Road Resurfacing Program:** This annual program included the resurfacing of some 3 miles of roadway in the Village for a total cost of \$1.323 million.
- ◆ **Stanton Road Overflow Stabilization Project:** This \$124,110 project provides for the strengthening of Stanton Road to prevent against wash-outs due to heavy rain.
- ◆ **Deerpath Road Stabilization Project:** Similar to the Stanton Road project, this partially grant-funded project allowed for repairs and improvements to Deerpath Road due to damage from heavy rainfall. The Village's total investment was \$34,900.

Pavement Conditions

Excellent	24.55%
Good	29.09%
Satisfactory	28.31%
Poor	14.33%
Very Poor	3.22%
Serious	0.18%
Failed	0.33%



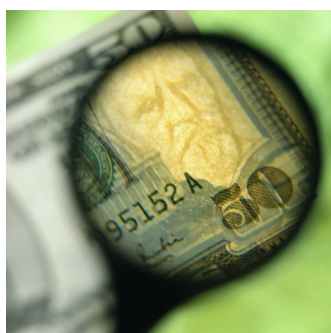
FINANCE

LAKE ZURICH: A Standard & Poor's AAA-rated organization

BOND RATING UPGRADED TO AAA

The Village was proud to start the year announcing that **Standard & Poor's upgraded the Village to a AAA bond rating**—the highest rating available to a municipal government organization. Only 2% of Illinois cities have achieved such status.

S&P cited the Village's strong management, its budget flexibility, and economic outlook in justifying the rating upgrade.



Lake Zurich's per capita purchasing income is 167% the national average. With an AAA bond rating, the Village can expect to take advantage of lower borrowing costs.

GENERAL ASSEMBLY APPROVES TIF EXTENSION

In December, the Illinois General Assembly approved the Village's request for a **TIF District extension for the Village's downtown TIF district**. This action was welcome news to conclude the year and was achieved through the hard work and collaboration of numerous taxing jurisdictions.

The TIF extension will allow the Village to refinance existing debt obligations, reducing future reliance on the Village's general operating fund, and reducing the burden on the Village's general operating fund by \$700,000 to \$1.2 million annually.

This action helps ensure the continuation of quality services and minimizes the risk of potential service cuts.

SUMMARY OF ANNUAL BUDGET FOR FY 2015

BEGINNING MAY 1, 2014 AND ENDING APRIL 30, 2015

Fund Type	Proj. Beginning Fund Balance	Revenue & Other Sources	Expenditures & Other Uses	Excess (Deficiency)	Proj. Ending Fund Balance
General	\$ 8,990,166	\$ 26,007,692	\$ 26,015,210	\$ (7,518)	\$ 8,982,648
Special Revenue	584,052	2,008,732	1,950,550	58,182	642,234
Debt Service	842,778	3,300,046	4,079,867	(779,821)	62,957
Capital Projects	9,123,474	2,447,244	4,209,839	(1,762,595)	7,360,879
Enterprise	45,369,934	5,347,414	8,480,758	(3,133,344)	42,236,590
Internal Service	671,671	4,188,309	4,144,942	43,367	715,038
Total—All Funds	65,582,075	43,299,437	48,881,166	(5,581,729)	60,000,346

REFUSE & RECYCLING

VILLAGE BOARD APPROVES NEW WASTE HAULING CONTRACT

IMPROVING SERVICE AT REDUCED RATES

In November, the Village Board approved a new waste hauling contract with Waste Management, the Village's current service provider. The new contract will save residents money through a reduction in refuse collection fees. Moreover, the new contract also provides for new, standardized collection carts.

Residents will be able to choose from three different sizes to fit their refuse needs and household budget:



	35 GALLON UNIVERSAL	64 GALLON UNIVERSAL	96 GALLON UNIVERSAL
Width	19"	24"	26"
Depth	23.75"	27"	34.5"
Height - Lid to Ground	37.5"	41.5"	46"
Height - Cart Only	35"	38.75"	43"



In December, the Village recorded its highest month of the year in terms of a percentage of overall refuse that residents recycle at 36.59%. The highest percentage of refuse recycled in 2013 occurred in March at 34.77%. Lake Zurich residents increased the monthly high in 2014 by almost two full percentage points!

VILLAGE OFFERS CN NOISE MITIGATION PROGRAM

\$800,000 SPENT TO UPGRADE RESIDENTIAL PROPERTIES

Several years ago when the Canadian National Railway Company bought the former EJ&E Railroad and planned to increase the number of trains running on this line, the Village of Lake Zurich successfully negotiated receipt of \$1.96 million from CN for noise abatement measures.



One of the noise mitigation programs introduced in 2014 was the *Home Reimbursement Noise Mitigation Program*.

This program reimbursed residential property owners that have property within 250' of the rail line 75% of qualified noise mitigation home improvements up to a maximum reimbursement of \$7,000. The program proved to be very popular. Eighty-eight (88) property owners participated in the program resulting in over \$800,000 in noise mitigation related improvements to the Village's housing stock.

The program will conclude in 2015 but not before being enhanced to include additional rebates to participating property owners as well as an additional opportunity for eligible owners to participate.

For more information visit LakeZurich.org.

VILLAGE OF LAKE ZURICH

PRIVILEGED TO SERVE YOU



Lake Zurich Village Board and Executive Staff



NEW LOGO AND FLAG DESIGN HIGHLIGHT REVAMPED BRANDING PACKAGE

In May, the Village Board approved a new branding package to enhance the Village's visual identity for official Village of Lake Zurich communications.

The package includes the design of a new Village seal (above), Village flag, and other alternative marketing logos. In addition, the Village unveiled its new "*At the Heart of Community*" slogan, reflecting the authentic closeness of the Lake Zurich community.

The Village seal is the corporate trademark for official Village of Lake Zurich business. Alternative logos are available for marketing purposes in other areas. The Village flag will fly at all municipal buildings and consists of the Village seal and date of incorporation.

VILLAGE OF
LAKE ZURICH
ILLINOIS



Official flag of the Village of Lake Zurich